

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 INRE-00 USIE-00 CIAE-00

PM-03 INR-07 L-03 ACDA-10 NSAE-00 PA-02 PRS-01 SP-02

TRSE-00 SAJ-01 ABF-01 FSE-00 OMB-01 OES-05 CU-04

EPA-04 CEQ-01 EB-07 /065 W  
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O R 161244Z JUL 75

FM USMISSION NATO

TO SECSTATE WASHDC IMMEDIATE 2731

INFO SECDEF WASHDC

UNCLAS SECTION 1 OF 2 USNATO 3773

DELIVER TO EUR/RPM (ERIC REHFELD) OOB

E.O. 11652: N/A

TAGS: AFIN, NATO, US, AORG

SUBJ: FY 1977 BUDGET PRESENTATION: NATO AND NORTH ATLANTIC ASSEMBLY

REF: A-4480

FOLLOWING INFORMATION IS FURNISHED IN RESPONSE TO REF  
AIRGRAM:

1. FOR NATO CIVILIAN HEADQUARTERS

ITEMIZATION OF ESTIMATE            ESTIMATE FY 1977

ESTIMATED REQUIREMENTS ARE AS FOLLOWS:

1. CASE CONTRIBUTIONS            \$12,900,000
2. MUTIAL BALANCED FORCE REDUCTIONS (MBFR)    175,000
3. DIRECT COSTS OF UNITED STATES NATIONALS    1,700,000

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TOTAL    \$14,775,000

ESTIMATE  
CY 1977

COMPUTATION OF ESTIMATE (FY 1977)

ASSESSMENT BUDGET (IN BELGIAN FRANCS) 2,069,000,000

U.S. PERCENTAGE SHARE 24.20 PCT.

U. S. ASSESSMENT 500,700,000

EXCHANGE RATE: (APPROX) 35.00 BF TO \$1.00

U.S. ASSESSMENT IN DOLLARS \$14,300,000

CREDITS:

UNITED STATES NATIONALS LOANED TO NATO 1,400,000

(1) UNITED STATES CASH CONTRIBUTIONS \$12,900,000

PURPOSE AND BENEFITS OF NATO TO THE UNITED STATES

THE ATLANTIC ALLIANCE REFLECTS THE COMMON WILL OF 15 OF THE WORLD'S LEADING DEMOCRACIES TO PROVIDE FOR THEIR SECURITY AND FOR THE GROWTH OF THEIR MUTUAL UNDERSTANDING AND COOPERATION. TWO RECENT SUMMIT MEETINGS AND THE 1974 DECLARATION ON ATLANTIC RELATIONS BEAR CLEAR WITNESS TO THE ALLIES' CONTINUING DEDICATION TO THE PRESERVATION OF THEIR OWN FREEDOM THROUGH SECURITY WHILE PURSUING EFFORTS TOWARD REALISTIC REDUCTIONS IN EAST-WEST TENSION. IN SO DOING, THE ALLIES RECOGNIZE THAT EFFECTIVE COLLABORATION IS NOW MORE IMPORTANT THAN EVER IN A RAPIDLY CHANGING AND VOLATILE WORLD.

THE FOLLOWING MAJOR ACTIVITIES WILL CONTINUE DURING FISCAL YEAR 1977:

A. CLOSE CONSULTATION IN THE NORTH ATLANTIC COUNCIL, TO INCLUDE MORE FREQUENT MEETINGS AMONG CHIEFS OF GOVERNMENT.  
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CONSULTATION WILL ALSO CONTINUE IN THE DEFENSE PLANNING COMMITTEE, THE NUCLEAR PLANNING GROUP AND IN OTHER ALLIANCE FORUMS FOR POLITICAL AND MILITARY DISCUSSION AND COORDINATION.

B. THE PURSUIT OF REALISTIC EAST-WEST DETENTE THROUGH SUCH NEGOTIATIONS AS MBFR, CSCE AND SALT REMAINS HIGH ON THE NATO CONSULTATION AGENDA.

C. THE EXPANSION OF NATO'S GEOGRAPHIC AND SUBSTANTIVE HORIZONS TO INCLUDE CONSULTATIONS ON AREAS AND TOPICS OUTSIDE NATO'S ORIGINAL JURISDICTION BUT WHICH AFFECT WESTERN SECURITY.

D. CLOSER COLLABORATION AMONG WESTERN PARLIAMENTARIANS,

ENDORSED BY ALL OF THE ALLIES IN THE ATLANTIC DECLARATION.

E. CONTINUATION OF WORK ON THE CHALLENGES  
POSED BY MODERN SOCIETY TO THE WESTERN PEOPLES IN RAISING THE  
QUALITY OF THEIR ENVIRONMENT, THEIR HEALTH AND THEIR MEANS  
OF COMMUNICATION.

OTHER IMPORTANT CONTINUING ACTIVITIES ARE THE READ  
EXCHANGE AMONG THE ALLIES OF INTELLIGENCE AND DATA, THE  
IMPORTANT WORK OF THE ECONOMIC COMMITTEE AND OF THE SCIENCE  
COMMITTEE (WITH ITS ACTIVE SCHOLARSHIP PROGRAM) AS WELL AS THE NATO  
INFORMATION SERVICE WHICH PROVIDES A STEADY FLOW OF INFORMA-  
TION ON ALLIANCE ACTIVITIES.

#### EXPLANATION OF ESTIMATE

THE CALENDAR YEAR 1977 ASSESSMENT BUDGET OF NATO, WHICH WILL  
NOT BE APPROVED UNTIL DECEMBER 1976, IS EXPECTED TO BE ABOUT  
BF 2.07 BILLION, AN INCREASE OF ABOUT BF 220 MILLION. THE  
INCREASE IS ATTRIBUTABLE PRIMARILY TO WAGE AND PRICE INCREASES  
(BF 210 MILLION) AND 10 NEW POSITIONS IN THE SITUATION  
CENTER FOR AUTOMATED DATA PROCESSING (BF 10 MILLION). THE  
UNITED STATES SHARE OF THE INCREASE AT 24.20 PER CENT IS  
APPROXIMATELY \$1.5 MILLION.

THE SECRETARY GENERAL HAS INDICATED THAT REQUIREMENTS  
FOR PERSONNEL FOR AUTOMATED DATA PROCESSING IN THE SITUATION  
CENTER ARE HIS NUMBER ONE PRIORITY; FOR THE NEXT TWO YEARS  
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HE IS ASKING FOR NO NEW PERSONNEL OTHER THAN THESE. THE  
CURRENT SITCEN ADP ESTABLISHMENT, IF ALL POSTS ARE FILLED, IS  
ADEQUATE ONLY TO MAINTAIN THE CURRENT OPERATIONAL AND  
ADMINISTRATIVE SYSTEMS AND TO CONTINUE DEVELOPMENT OF CRISIS  
MANAGEMENT APPLICATIONS. A LONG-TERM PLAN HAS BEEN DEVELOPED  
TO PROVIDE COST-EFFECTIVE ADP SUPPORT FOR ACTIVITIES OF THE  
INTERNATIONAL STAFF AND THE INTERNATIONAL MILITARY STAFF  
REQUIRING FORMAL FEASIBILITY STUDIES. THE 1977 CIVIL BUDGET  
ESTIMATES PROVIDE FOR FUNDS TO COVER 3 EXISTING MILITARY POSTS  
WHICH ARE TO BE CONVERTED AND FILLED BY CIVILIAN INCUMBENTS, AS  
GOVERNMENTS HAVE NEVER BEEN ABLE TO FILL THEM WITH MILITARY  
PERSONNEL, 2 NEW POSTS TO UNDERTAKE FEASIBILITY STUDIES IN THE  
GROWING AREA OF APPLICATIONS, AND 5 NEW POSTS TO DEVELOP  
CURRENT AND NEW ADP APPLICATIONS GOING BEYOND FEASIBILITY  
STUDIES.

#### (2) MUTUAL BALANCED FORCE REDUCTIONS (MBFR)

OBLIGATIONS 1977: \$175,000      INCREASE: \$15,000

THE UNITED STATES SHARE OF THE COSTS OF THE VIENNA FACILITY  
IS 20 PER CENT, SLIGHTLY LESS THAN THE 24.2 PERCENT CURRENTLY

ESTABLISHEDSAS THE UNITED STATES SHARE OF THE NATO REGULAR CIVIL BUDGET. ON THIS BASIS IT IS ESTIMATED THAT APPROXIMATELY \$175,000 WILL BE NEEDED FOR THE CALENDAR YEAR 1977 COSTS OF THE MBFR OFFICE INVIENNA. THIS IS AN INCREASE OF \$15,000 OVER THE CALENDAR YEAR 1976 ESTIMATE OF \$160,000 OANDIS PRIMARILY ATTRIBUTABLE TO WAGE AND PRICE INCREASES.

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INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 INRE-00 CIAE-00

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TRSE-00 SAJ-01 ABF-01 FSE-00 OMB-01 OES-05 CU-04

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O R 161244Z JUL 75

FM USMISSION NATO

TO SECSTATE WASHDC IMMEDIATE 2732

INFO SECDEF WASHDC

UNCLAS SECTION 2 OF 2 USNATO 3773

(3) DIRECT COST OF UNITED STATES NATIONALS LOANED TO NATO

OBLIGATIONS 1977: \$1,700,000 INCREASE: \$200,000

A NATO MEMBER GOVERNMENT MAY ARRANGE FOR ITS NATIONALS WHO SERVE ON THE INTERNATIONAL STAFF TO BE PAID DIRECTLY BY THAT GOVERNMENT. THIS ARRANGEMENT AS NECESSARY ORIGINALLY BECAUSE NATO SALARIES, BASED ON EUROPEAN SCALES, COULD NOT ATTRACT NATIONALS OF THE UNITED STATES AND CANADA. IT HS THE FURTHER ADVANTAGE OF MAKING AVAILBLE FOR TEMPORARY ASSIGNMENT TO FILL SPECIFIC NATO NEEDS SELECTED OFFICIALS FROM THE WIDE RANGE OF TALENT TO BE FOUND WITHIN THE US GOVERNMENT. WHEN THE SECERTARY GENERAL DESIRES THE SERVICES OF THE US EMPLOYEES, HE REQUESTS THE US GOVERNMENT TO PAY THEM AT US RATES, AND DETAIL THEM TO NATO AS PERMITTED BY PUBLIC LAWO 87-195. THE UNITED STATES RECEIVES CREDIT ON ITS CONTRIBUTIONS EQUIVALENT TO THE SALARIES, ALLOWANCES, AND TRAVEL COSTS WHICH WOULD HAVE BEEN PAID SUCH PERSONS HAD THEY BEEN HIRED DIRECTLY BY NATO.

IN ADDITION TO THIS LONG-STANDING SYSTEM, PROCEDURES HAVE BEEN ESTABLISHED WHICH NOW ALLOW NATO TO HIRE DIRECTLY US CITIZENS RESIDING ABROAD, PROVIDING OPPORTUNITIES TO THEM IN THE MORE JUNIOR GRADES WHICH THE UNITED STATES DOES NOT  
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NORMALLY WISH TO FILL BY DETAIL. (NON-RESIDENT CANADIANS HAVE HAD THIS POSSIBILITY FORM SOME TIME).

IT IS ESTIMATED THAT \$375,000 WILL BE REQUIRED FOR THIS PURPOSE DURING THE PERIOD JULY 1, 1976 THROUGH SEPTEMBER 30, 1976 DUE TO THE CHANGE IN THE U.S. FISCAL YEAR.

THE INCREASE FOR FY 1977 OVER FY 1976 ESTIMATE IS ATTRIBUTABLE TO SALARY INCREASES. THE FY 1975 TRANSITION ESTIMATE IS OF COURSE FOR ONLY THREE MONTHS.

2. FOR NORTH ATLANTIC ASSEMBLY  
ESTIMATE ESTIMATE  
COMPUTATION OF ESTIMATE CY 1976 CY 1977

ASSESSMENT BUDGET IN  
BELGIAN FRANCS 31,220,000 35,000,000

U.S. PERCENTAGE SHARE 224.20 PCT. 24.20 PCT.

U.S. ASSESSMENT 7,555,000 8,500,000

EXCHANGE RATE: (APPROX)  
35.00 BF TO \$1.00

U.S. CONTRIBUTION IN DOLLARS \$215,850 \$242,000

PURPOSE AND BENEFITS OF NAA TO THE UNITED STATES

IN NOVEMBER 1954, THE THEN SECRETARY GENERAL, LORD ISMAY, PROPOSED THE ESTABLISHMENT OF CLOSER LINKS BETWEEN NATO AND THE PARLIAMENTARIANS OF ITS MEMBER COUNTRIES. ACCORDINGLY, AS EXPRESSED IN PUBLIC LAW 69 OF THE 84TH CONGRESS, THE NORTH ATLANTIC PARLIAMENTARY CONFERENCE WAS ORGANIZED TO DISCUSS PROBLEMS AND OPPORTUNITIES COMMON TO THE 15 ALLIES. IN THE MID-60S, THIS ORGANIZATION BECAME THE NORTH ATLANTIC ASSEMBLY, WHERE NATIONAL DELEGATIONS ARE COMPOSED ENTIRELY OF REPRESENTATIVES FROM MEMBER PARLIAMENTARY BODIES. THE ASSEMBLY'S ANNUAL MEETINGS NOT ONLY MAKE BALUABT COODETT TOTHORTTTLT ##

OTOTHHLOTTVID ## OPPORTUNITY FOR HIGHLY USEFUL  
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MEETINGS BETWEEN ALLIED PARLIAMENTARIANS AND SENIOR ALLIANCE OFFICIALS. IN ADDITION, THE NAA PROVIDES A FORUM FOR MEMBERS OF THE FREE WORLD'S KEY PARLIAMENTARY BODIES TO KNOW EACH OTHER AND TO SHARE IDEAS ABOUT COMMON PROBLEMS. MOREOVER, IN THE WORK OF ITS SPECIAL COMMITTEES, THE NAA CONTRIBUTES USEFUL ANALYSES IN IMPORTANT ISSUES FACING

WESTERN GOVERNMENTS.

ALL OF THESE ROLES WERE APPROPRIATELY ENDORSED IN THE  
"ATLANTIC DECLARATION":

"THEY (THE ALLIES) REALIZE THAT THE COHESION OF THE  
ALLIANCE HAS FOUND EXPRESSION NOT ONLY IN CO-OPERATION AMONG  
THEIR GOVERNMENTS, BUT ALSO IN THE FREE EXCHANGE OF VIEWS  
AMONG THE ELECTED REPRESENTATIVES OF THE PEOPLES OF THE  
ALLIANCE. ACCORDINGLY, THEY DECLARE THEIR SUPPORT  
FOR THE STRENGTHENING OF LINKS AMONG PARLIAMENTARIANS."

#### EXPLANATION OF ESTIMATE

THE CALENDAR YEAR 1976 ASSESSMENT BUDGET OF THE ORGANIZA-  
TION IS EXPECTED TO BE 31.2 MILLION BELGIAN FRANCS, AN  
INCREASE OF 3.2 MILLION BELGIAN FRANCS OVER THE PREVIOUS YEAR.  
THE INCREASE IS PRIMARILY ATTRIBUTABLE TO WAGE AND PRICE  
INCREASES.

THE UNITED STATES SHARE OF THE INCREASE, AT 24.20 PER CENT,  
THE SAME AS THE PREVIOUS YEAR, IS \$22,500, OR A TOTAL OF \$216,000.

THE CALENDAR YEAR 1977 ASSESSMENT BUDGET OF THE  
ORGANIZATION IS EXPECTED TO BE 35 MILLION BELGIAN FRANCS, AN  
INCREASE OF 3.8 MILLION BELGIAN FRANCS OVER THE PREVIOUS YEAR.  
THE INCREASE IS PRIMARILY ATTRIBUTABLE TO WAGE AND PRICE INCREASES.

THE UNITED STATES SHARE OF THE INCREASE, AT 24.20 PER CENT,  
THE SAME AS THE PREVIOUS YEAR, IS \$26,000, OR A TOTAL OF  
\$242,000.

#### 3. ADDITIONAL COMMENTS:

A. COMPUTATIONS ASSUME ONE DOLLAR EQUALS BF 35.  
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B. MISSION DOES NOT UNDERSTAND NAA TRANSITION ESTIMATE OF  
\$301,257 IN CY 1976 COLUMN OF DUMMY FORMS. ACCORDINGLY, MISSION  
IS FURNISHING ESTIMATES FOR CY 1976 AND CY 1977

C. NATO ESTIMATES GIVEN ABOVE DO NOT INCLUDE PROVISIONS OF  
US SHARE OF NATO DEFENSE SUPPORT ACTIVITY (CHAPTER IX OF NATO  
BUDGET) WHICH IS ESTIMATED AT US \$187,000 CONTRIBUTED BY DOD.  
(24.2 PCT. OF 27 MILLION BF AT 35 BF TO THE DOLLAR). BRUCE

NOTE BY OCT: USNATO 3773, SECTION 2 OF 2, ## AS RECEIVED;  
CORRECTION TO FOLLOW.

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## Message Attributes

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